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Arizona Corporation Commission

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**RATE APPLICATION
FOR WATER COMPANIES
WITH ANNUAL GROSS OPERATING REVENUES
(INCLUDING REQUESTED RATE RELIEF)
OF LESS THAN \$250,000
PER ARIZONA ADMINISTRATIVE CODE R14-2-103
Details at website: www.cc.state.az.us**

Fisher's Landing Water and Sewer Works, LLC

UTILITY NAME

WS - 04047A 01-0700

DOCKET NO(S).

12-31-06

TEST YEAR ENDED

Required invoices to be submitted are listed in the checklist on page 1.

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application, call the Chief of Accounting and Rates at (602) 542-0743 for Staff assistance or see our website at: www.cc.state.az.us

**IN ORDER TO PROCESS YOUR APPLICATION
FORWARD THE ORIGINAL AND FIFTEEN COPIES OF THE
APPLICATION AND COVER SHEET PLUS THREE
PACKETS WITH COPIES OF
CHECKLIST ITEMS 5-11 (PAGE 1)
TO DOCKET CONTROL CENTER
1200 WEST WASHINGTON STREET
PHOENIX, ARIZONA 85007**

Note: Please refer to the checklist on page 1 for the required attachments.

FISHER'S LANDING WATER AND SEWER WORKS, LLC
P. O. BOX 72188
YUMA, AZ 85365

February 4, 2008

Elijah Abinah
Financial & Regulatory Analysis Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: Application for rate increase
Docket # WS-04047A 07-0700 (Water)
Docket # WS-04047A 07-0708 (Sewer)

Dear Mr. Abinah:

We have reviewed your letters of insufficiency dated January 22, 2008 regarding the above referenced water and sewer rate applications. In response to the list of deficiencies, please find the following:

WATER:

1. The monitoring frequency as required by ADEQ for Lead & Copper, HAA5 and TTHM is annually; the monitoring frequency for Nitrate is quarterly. (See attached testing results from ADEQ website.)
2. The 1,989,000 gallons of surface water as reported on p.16 was obtained from the Colorado River and was measured through a separate river intake meter. The surface water and the water pumped from the master well during the test year were both included in the 45 acre-feet of water allotted to Fisher's Landing under their lease with the Arizona State Land Dep't. There is no separate charge or expense to Fisher's Landing for the water they pump out of the Colorado River.

In 2007 Fisher's Landing, Inc. did purchase an additional water allotment of 53 acre-feet from the Bureau of Reclamation at \$.25 per acre-foot, however, this was not in effect for the test year ended 12-31-06.

3. The 3000-gallon storage tank listed on page 16 was an error. The only tanks listed should have been the 10,000-gallon storage tank and the 3000-gallon pressure tank. Page 16 of the application has been corrected and is being resubmitted.

4. Fisher's Landing, Inc. filed an application with the Arizona State Land Dep't. January 3, 2007 to approve the installation of tanks providing 100,000 gallons of water storage. The application was denied March 5, 2007. (See copy attached.) Fisher's Landing Water and Sewer Works, LLC filed for approval to install the additional water storage tanks with ADEQ and was issued a certificate of approval on December 5, 2006. After Fisher's Landing, Inc. received the denial of approval to place improvements from ASLD, Fisher's Landing Water and Sewer Works applied for and was granted an extension of time to begin construction of the water tanks until December 5, 2008.
5. As stated in item 2. above, Fisher's Landing, Inc. is allotted 45 acre-feet of Colorado River water annually under its lease with the Arizona State Land Dep't. (See "Colorado River Addendum to Leases" and p. 21 of Commercial Lease No. 03-101133 attached.)
6. Fisher's Landing, Inc. had a 10-year lease with the Arizona State Land Dep't. which expired May 31, 2007. (See attached copy of lease between Fisher's Landing, Inc. and the Arizona State Land Department.) Fisher's Landing filed an application for a long-term lease in 2003 (see letter from Sandra Kelley, Arizona State Land Dep't.). A new lease has not been granted at this date and Fisher's Landing remains in negotiations with the Arizona State Land Dep't. Fisher's Landing continues on the leased land under the holdover provisions of the lease (see lease and email from Sandra Kelley).

SEWER:

1. The monitoring frequency required by ADEQ for the sewer system, including monitoring well, is quarterly (see attached Aquifer Protection Permit.)
2. The composite depreciation rate as per Darren Carlson at the Utilities Division of the Arizona Corporation Commission is determined by dividing the depreciation expense for the test year by the total original cost of plant assets in use during the test year. The total "Depreciation Expense" for the test year ended 12-31-06 (as stated on p.16 of rate application) was \$10,921. The total "Original Cost" (as stated on p.16 of rate application) was \$307,126. $\$10,921$ divided by $\$307,126$ is .0356 or 3.56% - the composite depreciation rate stated on p. 3 of our original application. The composite depreciation rate was provided only because the rate application requested it. The composite depreciation rate was not used to compute depreciation expense for the sewer company as reported on the rate application. The actual depreciation rates used are shown on page 16 of the application and conform to the rates stipulated in the original decision (No. 64998).

Sincerely,

Don Fisher, Partner

Company Name: Fisher's Landing Water & Sewer Works, LLC	Test Year Ended: 12-31-06
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WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-63872	7.5	100	350	8	2	1974

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Surface Water	25	1,989

BOOSTER PUMPS

Horsepower	Quantity
25	2

FIRE HYDRANTS

Quantity Standard	Quantity Other
0	0

STORAGE TANKS

Capacity	Quantity
10,000	1

PRESSURE TANKS

Capacity	Quantity
3,000	1